

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 706 – SB 0779

March 27, 2017

SUMMARY OF ORIGINAL BILL: Creates a two-year pilot tuition assistance program from state lottery funds for eligible students at Fairview High School to take courses leading to an associate's degree in Applied Science of Advanced Integrated Industrial Technology at Columbia State Community College. Limits the number of award offers to 80 students per year and establishes that no more than \$300,000 will be expended to fund the pilot program. Authorizes the Comptroller of the Treasury, Office of Research and Education Accountability (OREA), with the assistance of the Department of Education (DOE) and the Higher Education Commission, to study the pilot and determine the effectiveness of the program in closing the high tech skills gap and increasing the number of students obtaining postsecondary degrees and issue a report to the committees and chairs of the House and Senate Education Committees. Authorizes OREA to continue the pilot if OREA determines more study is needed.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$150,000/FY17-18/Lottery for Education Account

Other Fiscal Impact – Funding in an amount of \$150,000 in FY17-18 and \$150,000 in FY18-19 will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Special Reserve Account as a result of the proposed pilot project.

SUMMARY OF AMENDMENT (006326): Deletes and adds language to the bill such that the only substantive change adds an additional high school that can participate in the pilot program.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to the maximum funding provision established in the legislation, there will be a one-time increase in state expenditures of \$300,000 from the Lottery for Education

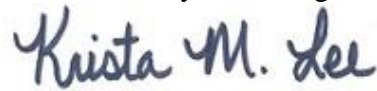
HB 706 – SB 779

Account (LFEA). It is assumed that the maximum funding amount will be expended over two fiscal years in equal installments, for an increase in state expenditures from the LFEA of \$150,000 in each year FY17-18 and FY18-19.

- Any increase in state expenditures for OREA to review and study the tuition assistance program and make the required report is estimated to be not significant.
- It is assumed that the pilot program will not be extended for an additional two years pursuant to OREA's findings and that no additional state expenditures from the LFEA will be made.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp